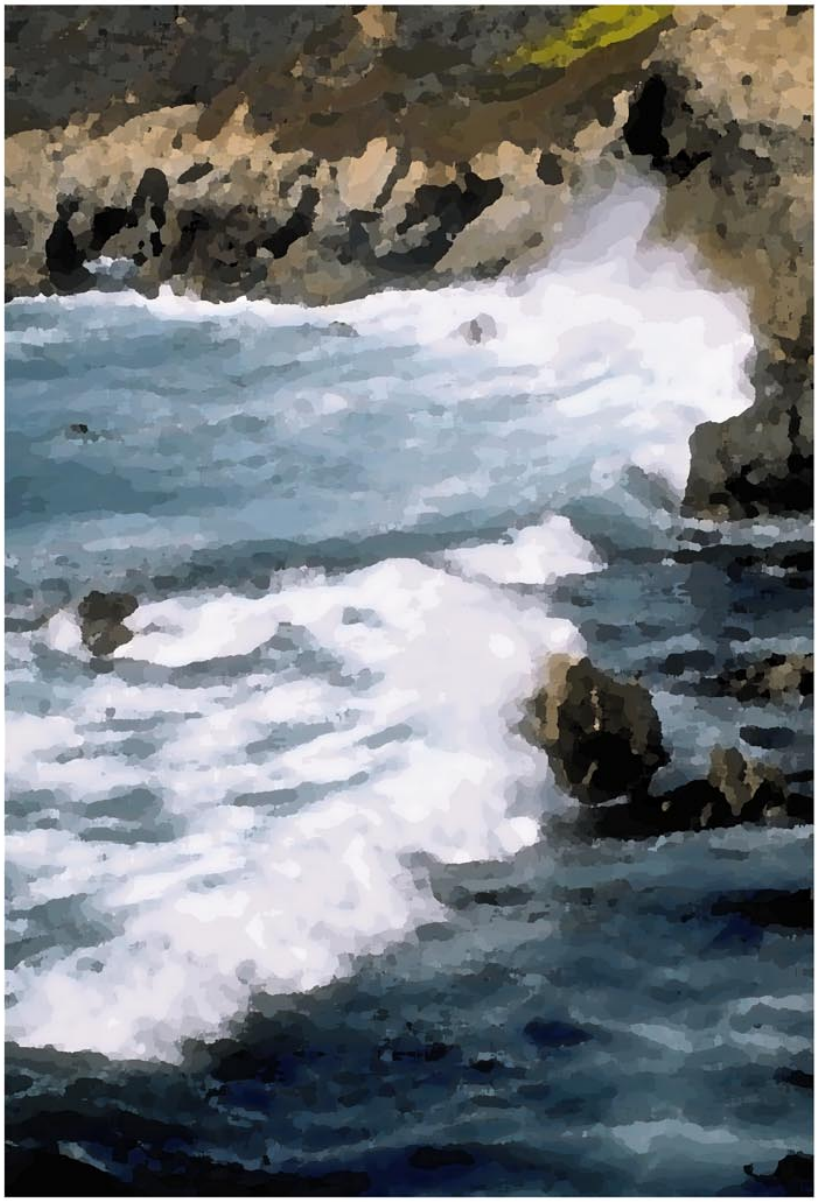
State of the Coast and Ocean 1998



CALIFORNIA DEMOCRATIC CAUCUS

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STATE OF THE COAST and OCEAN 1998

Executive Summary

The magnificent Pacific coast and ocean resources support tremendous economic opportunity and contribute enormously to the quality of life of all Californians. The State coastal and ocean-based economy is estimated to exceed $27.5 billion: coastal tourism, recreation, shipping and ports, coastal-dependent agriculture, sport and commercial fishing, and public and private marine research programs are among the important sectors of this economy.

Most of this $27.5 billion is directly dependent on clean water, healthy ecosystems, and abundant fish and wildlife. Millions of visitors flock to the coast to see pelicans, sea otters, seals and whales and enjoy panoramic views and rugged natural beauty. Surfers, swimmers, and sunbathers seek unpolluted beaches. Recreational fishing increases when fishing is good. The commercial fishing economy depends on abundant fisheries. Sport divers travel and spend their dollars to reach dive sites where the underwater world is pristine and teeming with life.

All is not well on the California coast

However, all is not well along the California coast. Marine ecosystems are in distress and some of the state's most valuable fisheries, including rockfish, sea urchins, seabass, and abalone, are in precipitous decline. As a result, commercial fishers are sinking in debt.

Marine species, described only a few decades ago as unlimited, are now identified as threatened or ecologically extinct. In Southern California, the multi-million dollar commercial and recreational abalone economies have been lost with the collapse of all five major species of abalone. And, one of the most prized fish supporting the recreational fishing economy, the white seabass, is in serious trouble.

Scientists fear toxic chemicals are disrupting ocean ecosystems. Polluted coastal waters are suspect in deaths of sea otters. Toxics fouling bays and estuaries are also found in popular sport fish at levels warranting health advisories. In the past month a report documented that mercury is among compounds contaminating fish of the open sea. In 1995, California closed popular beaches over 1300 times due to pollution in the surf. And, the pressures toward environmental and economic decline along the coast continue to mount.

California's population is expected to rise from the current 32 million to nearly 50 million by the year 2020. Presently, approximately 70 percent of all Californians live within a one-hour's drive of the coast. In the decades ahead, many more people will live, work and recreate on the coast where more homes, hotels, and shopping centers will be built. Pressure to develop natural areas and viewsheds will increase.

Major Threats Demand Responses

The major threats to coastal and ocean resources and the economy that depends on those resources demand responses in three management areas: 1) Developing a management system for maintaining healthy ecosystems and sustainable fisheries, 2) Preventing pollution and restoring coastal water quality, and 3) Upgrading coastal management to protect coastal habitat, restore eroded shores and ensure public access during growth and after development.

Assembly Democrats Respond to Protect the Coast and Ocean

In this report, Assembly Democrats propose an action plan on three fronts to halt destruction of coastal and ocean resources and to provide sound management for the 21st century:

1. ***Policy Reform Actions***. Overhauling state policy is required for coastal and ocean protection. This report identifies the following problems:

    - Marine life management is in disarray.
    - The benefits of Marine Protected Areas are lost without statewide management.
    - Polluted runoff is the greatest threat to coastal waters.
    - Weak enforcement undermines the Clean Water Act.
    - Toxic contamination of bays and estuaries remains unabated.
    - California risks losing coastal public access.
    - Local Coastal Plans are outdated and do not address cumulative impacts.
    - Unabated shoreline erosion harms coastal communities.
    - Remaining coastal wetlands are threatened by development.

Assembly Democrats propose to:

- Modernize marine life management with a proactive and accountable management structure.
- Establish goals and policy for marine protected areas.
- Implement pollution prevention projects.
- Strengthen enforcement and implementation of the Clean Water Act.
- Provide oversight for aggressive implementation of the Bay Protection and Toxic Cleanup Program.
- Open more coastal public accessways.
- Ensure periodic reviews of Local Coastal Plans.
- Invest in shoreline erosion prevention and restoration.
- Develop a comprehensive coastal wetlands protection program.

2. ***Capital Financing Actions.*** The state has a backlog of coastal infrastructure and habitat protection projects requiring $1.4 billion in capital financing.

Assembly Democrats propose a coastal bond measure to provide:

- $330 million for appropriation to the Coastal Conservancy. This will fund acquisition and restoration of watersheds, wetlands, rivers, and endangered species habitat.
- $113 million for appropriation to the Wildlife Conservation Board. This will fund wetlands and wildlands restoration, and coastal piers and shoreline access infrastructure.
- $89 million for projects to reduce polluted runoff. This will fund pollution prevention projects, including projects in San Francisco, Santa Monica, and San Diego bays, and will fund projects required under the federally

mandated SWRCB-Coastal Commission Non-Point Pollution Control Program.

- $75 million for appropriation to the River Protection and Enhancement Account. This will fund acquisition and restoration of riparian habitat and river parkways.

- $40 million for the Los Angeles River Projects. This will fund restoration and recreational development of the Los Angeles River and its watersheds.

- $10 million to the Department of Water Resources. This will fund projects of the Urban Streams Restoration Program, including projects to increase recreational open space, public access, and aesthetic values along streams and rivers.

3. ***Budget Actions.*** The environmental and economic condition of the coast is deteriorating because of reduced state funding over the last decade.

   Assembly Democrats propose a budget agenda to:

   - Improve protection of wildlife and habitat.
   - Improve protection of ocean water quality.
   - Address backlog of maintenance problems.
   - Finance acquisition of high-priority properties.

Overhauling Policies for Coastal and Ocean Protection

Problem: **Marine life management is in disarray**

Marine life management responsibility and authority is currently split between the Legislature, the Fish and Game Commission, and the Department of Fish and Game. The shortcomings of the system have been known and commented on for many years.

California's management system was adequate when the state's population was a few million. The task then for the Commission and Department was to manage abundance by assuring equitable access to hunting and fishing. In recent decades, a broad array of environmental protection responsibilities, primarily on land, has been grafted onto the original missions of the Commission and Department. Moreover, the need to house, employ, and provide food, energy, and recreation for 32 million people means the challenge has become one of managing scarcity.

State policy toward marine life is consumption-focused, fragmented, and crisis-oriented. Ecosystem impacts are not considered, non-fishery species are neglected, and pro-active management is rarely possible under the existing policy. As a result, without significant remodeling of the general state policies, maintaining sustainable marine ecosystems is unlikely.

Old Policy Priorities Emphasize Consumptive Use

California' approach to marine life management-- promoting and regulating consumptive use--views the ocean primarily as a reservoir from which to extract fish. Marine wildlife that is not valued by the sport or commercial fishers receives little attention. Human activities, other than fishing, that are dependent on a healthy marine environment, are neglected in state policy. Yet the greatest economic benefits to the State now come from non-consumptive uses of coast and ocean resources, such as tourism and recreation, not fisheries.

The Fish and Game Commission and Department were established primarily to manage inland recreational fishing and hunting. While the Departments responsibilities have broadened to include duties under CEQA, CESA, and other acts, management authority is still constrained by old statutes. In the marine environment, managing non-fishery species or ecosystems is not emphasized, and funding is lacking for these purposes.

The State has not adopted policies on how to resolve frequent conflicts between resource use and protection. As a result, many decisions made by the Commission and the Department are appealed to the Legislature. The Legislature, which has not provided adequate policy guidance for itself either, often finds itself dealing with minutiae of fisheries management by improvising solutions that favor short-term benefits over sustainability.

Separation of Commercial and Recreational Fisheries Management: An Ecologically Irrational Management Regime

While the Fish and Game Commission generally has management authority over recreational fisheries along the coast, the Legislature (Fish and Game Code Section 200) clearly has not delegated to the Commission general management authority over commercial fisheries. Further, the Fish and Game Code (Section 8140) is an anything-goes approach to commercial fishing unless the Legislature adopts restrictions. The default management of commercial fisheries is no management. With few exceptions, the general pattern has been that commercial fisheries are left open until the fishery is experiencing trauma, then the stakeholders sponsor legislation to stop the bleeding. Thus, California law with respect to commercial fisheries is a patchwork of legislative micro-management and no management. Micro-management for fisheries in trouble is crafted over lengthy legislative sessions; often achieving politically inspired results that fall short of ensuring sustainable fisheries or ecosystems. Requiring legislative action for management modifications precludes flexible and pro-active management. Additionally, the political separation of management of recreational versus commercial fisheries is impractical at the species or fisheries level and irrational at the ecosystem level. Managing only part of the fishing effort can not prevent overfishing and will not ensure ecosystem sustainability.

Crisis Management Threatens Ecosystem Sustainability and Maximizes Pain to the Coastal Economy

With neither the Fish and Game Commission nor the Department having overall management authority, fisheries and other sea life are not managed pro-actively. Instead management efforts are focused on halting the slide in a declining fishery and reducing the pain among fishers that depend on them, rather than designing plans to ensure sustainable fisheries or ecosystems.

Governance of Marine Living Resources is Inefficient

The Commission and Department have little authority, their decisions are challenged, they lack clear policy guidance to shield them from stakeholder pressures, they often lack essential information regarding issues they must resolve, and their funding is insufficient to accomplish basic management tasks. In the past the Legislature, bogged down in operational details, has failed to engage in what should be its primary role: establishing fundamental policy and overseeing its implementation.

Assembly Democrats' Solution:

Modernize Marine Life Management to be Proactive and Accountable

The Marine Life Management Act, AB 1241 (Keeley) would:

- Establish Marine Life Management Policy Guidelines for the Fish and Game Commission and the Department.

- Clarify The State's Authority And Interests: 1) the California Ocean Stewardship Area (the area from the high tide line to the bottom of the continental slope), 2) the health of living resources in the Ocean Stewardship Area, and 3) the management of those resources.

- Ensure Conservation, Restoration and Sustainable Use. Establish the State's goal of ensuring the conservation, restoration, and sustainable use of the marine living resources of the Ocean Stewardship Area and establishes basic procedures for achieving that goal.

- Assure Long Term Benefits for Fisheries. Require that all marine fisheries are managed to assure the long-term economic, ecological, recreational, and social benefits of those fisheries and the habitats on which they depend.

The Marine Life Management Act, AB 1241 (Keeley), continued:

- Set Principles and Standards. Set principles and standards for fishery management, including:

1. Requiring sustainable use based on a standard of optimum yield;
2. Avoiding harm to habitat, protected species, and ecosystem integrity;
3. Using selective fishing gear to minimize discards or other waste;
4. Preventing or reducing excess fishing capacity;
5. Basing management on the best available science;
6. Providing adequate consultation with stakeholders;
7. Avoiding adverse impacts on small-scale fisheries, coastal communities, local economies, and people dependent on fishing for food, livelihood, or recreation;
8. Managing proactively.

- Adopt Fisheries Management Plan. Authorize the commission and department to adopt regulations to implement fishery management plans and to pro-actively manage marine life.

- Clarify Responsibilities and Authority for marine life management. The bill would assign the responsibilities and authority for marine life management decisions to the Fish and Game Commission.

Problem: Benefits of marine protected areas are lost without statewide management

California has 104 marine protected areas (MPAs); designated as reserves, refugia, underwater parks, natural preserves, ecological reserves, conservation areas, recreation area and sanctuaries. The marine protected areas are not part of a statewide system or strategic plan. For the most part, marine protected areas have been created on a case-by-case basis; usually in response to local concerns or local efforts. The State has not adopted guiding policy or goals for establishing and managing MPAs. Moreover, no agency is assigned lead responsibility and authority for statewide planning, designating, managing and enforcing MPAs. Many of the existing MPAs lack clear purpose or management objectives.

Meanwhile, important fishery species are being serially depleted such as white seabass, rockfish, abalone, giant sea bass, sheephead, and sea urchins. A more sophisticated fishing effort and heavier recreational use of the marine environment leaves few areas untouched. Fortunately, studies show that well planned and managed MPAs may provide tremendous benefit to ocean ecosystems, maintaining biodiversity and contributing to sealife abundance. The marine scientists have listed the following benefits to species observed in or near MPAs:

- Increased abundance.
- Larger individual size.
- Greater reproductive output.
- Greater biodiversity.

Assembly Democrats' Solution:

Establish Goals and Policy for Marine Protected Areas

The Marine Wilderness Act, which will be introduced as legislation in 1998, would:

- Designate a Lead State Agency for managing marine protected areas. This agency would be responsible for conducting the evaluation of existing reserves and providing recommendations for improved management.
- Maximize Benefits of Marine Protected Areas. Require statewide criteria and policy objectives for protected areas to benefit marine biodiversity and abundance.

- Mandate an Evaluation of existing MPAs. Require recommendations for eliminating, modifying, coordinating, or expanding protected areas.

Problem: Polluted runoff is the greatest threat to coastal waters

The number one source of coastal water contamination in the state today is polluted runoff, or "non-point" source pollution. Polluted runoff is created when rain, irrigation water, and other water sources run over the land, picking up pollutants and dumping them into local water bodies. Polluted runoff causes beach closings and advisories, loss of habitat, closed or harvest-limited shellfish beds, declining fisheries, reduction in tourism revenues, and contamination of drinking water. Though polluted runoff is the number one source of coastal water pollution in the state, the state still does not have an adequate program to control it. For example, of the $2.9 billion in water bonds approved by California voters since 1970, only $10 million has been earmarked for control of polluted runoff. Federal legislation requires the State Water Resources Control Board and the California Coastal Commission to work together to develop, implement and enforce a detailed "Coastal Non-point Pollution Control Program" to control polluted runoff into California's coastal waters. Funding and strong leadership is needed to complete and implement this program.

Assembly Democrats' Solution:

Implement Pollution Prevention Projects

- Enact the Clean Coastal Waters and Rivers Bond Act, AB 1000 (Keeley), to provide dedicated capital financing for priority projects to prevent polluted runoff.

- Conduct Oversight of Water Quality Abuses. Conduct oversight of the federally-mandated joint effort of the State Water Resources Control Board and the Coastal Commission, the Coastal Non-point Source Pollution Control Program.

Problem: Weak enforcement undermines the Clean Water Act

Another major source of water pollution is the failure of the state to ensure that all "point" sources of pollution - i.e., from pipes and other conveyances - comply with the Clean Water Act. A recent study found that major pollution dischargers violated the Clean Water Act almost 4,500 times from 1992 through 1996, and that the average violating facility took two full years to come back into compliance. Though the majority of these violators are identified as publicly owned and operated sewage treatment plants, many of the problems are caused by industrial dischargers, who are allowed to dump their toxic and other wastes to the already-burdened sewage treatment plant system. The extent of the problems is not well known; in fact, it has been reported that 71% of the chemicals dumped into the sewage system are not monitored for or regulated by the sewage plants or the state.

The Clean Water Act aimed to reduce pollution so that 100% of our navigable waterways were safe for fishing and swimming by 1983. In 1997, we are still far from that goal. State data shows that only 37% of California's bays and harbors are safe for swimming and a mere 8% are safe for fishing. The state must close the loopholes that allow toxics and other chemicals to reach our waters legally. The state must adopt tough enforcement policies, must set limits on and require monitoring for the chemicals that industry sends to sewage treatment plants, and must step up efforts to reduce the use of toxics in general.

Assembly Democrats' Solution:

Strengthen Enforcement and Implementation of the Clean Water Act

- Mandate Penalties. Mandating minimum penalties for pollution discharge violations. Requiring quicker action to correct non-compliance.

- Restrict Toxic Discharges. Restricting the discharge of toxics into sewage treatment plants. Requiring preventative strategies to reduce toxic emissions.

- Strengthen Citizens' Rights to Legal Action. Strengthening citizen rights to take legal action against polluters. Deals between polluting businesses and state agencies should not necessarily pre-empt citizen suits.

- Increase Public Access to Information. Increasing public access to discharge reporting and compliance information. Ensure that this information is available to the public on a computer database.

- Provide for Whistle Blowing. Expanding whistleblower protections. Extending the statute of limitations from thirty days to one year.

Problem: Toxic contamination of bays and estuaries remains unabated

Preventing pollution from point and non-point sources is the first step toward ensuring healthy coastal waters. However, we also must begin to clean up the problems that already exist, particularly with respect to toxics. Available information shows that 85% of our estuaries and 68% of our bays and harbors contain elevated levels of toxics, which impair our use of those valuable waterways. The effects of this toxic pollution are widespread; for example, a 1995 study of fish caught in San Francisco Bay found that every single sample was contaminated with unsafe levels of toxic chemicals. Impacts from eating large amounts of contaminated fish caught in the state's bays and estuaries include birth defects, cancer, and neurological damage.

The consumption of contaminated fish from California bays is an alarming public health issue. The fish that live in California's beautiful bays are exposed to toxic hot spots created by years of pollutants discharged by oil companies, chemical plants, paper mills, plastic manufacturers, and other industries. Sediments below bay waters are contaminated with PCBs, dioxin, mercury, DDT, and other chemicals. Research in southern and northern California has found that fish are tainted with cancer-causing and nerve-damaging chemicals. At the same time, many unsuspecting consumers are eating more fish in a day than is safe to eat in a month.

State Program Has Failed to Cleanup Contaminated Bays

Since 1989, the state has had a program to identify and cleanup these contaminated sediments. However, the state's Bay Protection and Toxic Cleanup Program has inadequate funding, and implementation is slow. Cleanup plans have not materialized. State agencies missed the original 1994 deadline

for adopting a cleanup plan. Legislation in 1993 extended the deadline, but the state was going to miss the new deadline again. The state must re-commit to full funding and aggressive implementation of this program to clean up toxic hazards.

AB 1479 Would Have Expedited Cleanup Efforts

Assembly Democrats, working with a coalition of public health experts, environmentalists, businesses, and publicly owned water treatment facilities, attempted to rescue the Bay Protection and Toxic Cleanup Program. The proposed legislation, AB 1479 (Sweeney), allowed the cleanup program to accomplish the mission of restoring the health of California Bays.

AB 1479 would have expedited and reformed the lagging state program to cleanup toxic waste hot spots in San Fransico Bay, Santa Monica Bay, Point Magu, Los Angeles/Long Beach Harbor, Newport Bay, San Diego Bay, and other bays and estuaries around the state.

AB 1479 passed the Legislature with the unanimous support of the Assembly Democratic Caucus, Governor Wilson vetoed the bill. Instead he ordered Regional Water Quality Control Boards to complete cleanup plans by the revised deadline, January 1, 1998. The shortcomings of the Administration's approach to this matter are two fold. First, the Regional Water Quality Control Boards are not prepared to meet the deadline. Second, the public is not given sufficient opportunity for review and comment.

Assembly Democrats' Solution:

Provide Oversight for Aggressive Implementation of Bay Protection And Toxic Cleanup Program

- Conduct Oversight. Conducting oversight of the on-going management of the Bay protection and toxic cleanup program. If oversight does not find the program to be improved and expedited, legislative reforms may be required

- Make Dischargers Pay. Amending policy if necessary to make sure that dischargers, not taxpayers, pay for the cleanup. If oversight discovers taxpayers are burdened with cleanup costs, new policy should be passed to ensure the responsible dischargers cover all costs.

- Guarantee Clean Up. Amending Policy if necessary to guarantee that cleanup plans are effective, if Administration's efforts do not achieve sufficient results

The Problem: California risks losing coastal public access

Public access to the coast is affirmed within the State Constitution which guarantees the right of access to State waters which include the ocean, most lakes, streams and rivers. Since this provision is not self-implementing, the public access policies incorporated within the Coastal Act were designed to carry out this constitutional guarantee. This mandate was clearly defined in 1979 when the Legislature amended the Coastal Act and added Sections 30530-34 calling for the creation of the Coastal Public Access Program. The intent of this mandate was to create a comprehensive program that would increase public access opportunities to and along the coastline. While a number of public agencies share diverse coastal access responsibilities, the California Coastal Commission is designated with the responsibility of protecting, maintaining and enhancing public access opportunities. When reviewing coastal development projects, it is the Commission's primary responsibility to ensure that those projects restricting public access are adequately mitigated or otherwise planned in a manner that maximizes public access opportunities.

Since 1980, in appropriate circumstances, the Commission has sought to mitigate the impacts of development on public access primarily by requiring applicants to record an Offer to Dedicate (OTD) an easement for public access. Unfortunately, recordation of an OTD as the result of a coastal development project does not necessarily translate into an open and useable public accessway.

Public Coastal Access Opportunities Unused

In order for an OTD to become available for public use, a public agency or (approved) nonprofit organization has to formally accept the OTD and then undertake responsibility for improvements, operation, maintenance and liability. When the OTD program was initially implemented, it was anticipated that local government would enthusiastically accept and operate these OTDs. Unfortunately, the reduction in available revenue at the local government level has left numerous OTDs dormant. Outreach efforts to nonprofit organizations to stimulate acceptance of the remaining OTDs has met with a small measure of success. A handful of new accessways was opened in the past few years. However, lack of revenue available for the opening of these OTDs, the filing of frivolous lawsuits, and the reluctance of some local entities (Malibu, LA County, etc.) to accept responsibility for these public accessways has left the vast majority of public access opportunities to remain closed indefinitely.

Since the Commission began using OTDs as a mitigation technique, over 1,250 OTDs have been recorded. As of 1997, only 19% of these OTDs had been accepted. However, even this 19% figure is misleading because mere acceptance does not translate into useable accessways. An approved organization must accept responsibility for the associated operation, maintenance, and liability costs. In an effort to protect existing OTDs threatened by expiration, the Coastal Conservancy and the Commission reached an innovative agreement whereby the Conservancy would accept high priority OTDs to prevent them from expiring - a process that generally takes roughly 21 years. However, even though the Conservancy accepted high priority OTDs, it was recognized from the outset that it would not have

the necessary funds to open and maintain them. These OTDs are accepted but remain closed to the public. Further, the agreement between the Conservancy and the Commission only addresses the acceptance of high priority OTDs and does not account for all the outstanding OTDs.

The failure to open and operate the vast majority of OTDs required as mitigation for increased development along the coast since 1980 has left the people of California burdened by the impacts of this development without receiving the intended benefits public access improvements as required by the Coastal Act.

Recommendations for Opening Access Were Not Implemented

As far back as 1981, the Commission and the Conservancy published a report entitled "Innovative Management and Funding Techniques for Coastal Accessways" that identified a number of methods that could be implemented to resolve this problem. Unfortunately, most of the recommendations - including a plan to create a statewide non-profit organization to operate and maintain coastal access facilities - were not implemented.

Assembly Democrats' Solution:
Open More Coastal Public Accessways

- Accepting OTDs. Support necessary funding to enable the Coastal Conservancy to accept outstanding OTDs.

- Requiring Public Access Evaluation. Require evaluation of public access policies during the Local Coastal Program periodic review process. Direct the Coastal Commission to initiate periodic reviews, no less than once every five years, to evaluate the effectiveness of the public access programs contained in these LCPs. Provide funding in the form of financial assistance to enable the Commission and the local entity to partner in this evaluation.

- Limiting Coastal Commission Authority to Extinguish Easements. Under current law, the Coastal Commission has broad authority to determine whether an access easement should be opened, transferred, or otherwise relinquished. Criteria limiting transfer or relinquishment of easements are needed to protect the public trust.

- Recovery of Costs for Defending Against Frivolous Lawsuits. Provide assistance to local governments and non-profit organizations for recovery of costs associated with defense from frivolous lawsuits aimed at keeping new accessways from being formed and opened.

Problem: Local coastal plans are incomplete, outdated and do not address adverse cumulative impacts

Since the Coastal Act was passed in 1976, over 76 Local Coastal Plans (out of 126) have been certified along the California Coast. However, a number of important local jurisdictions have failed to certify local coastal plans (most notably, the County of Los Angeles). Additionally, many previously certified local coastal plans have become outdated as new information, changed circumstances, and adverse cumulative impacts of new development have not been incorporated into existing plans.

To address the negative cumulative impacts of ongoing development and the changing nature of the coastal environment, the Coastal Act does provide a mechanism for assuring that new information and changed circumstances are incorporated into existing certified Local Coastal Plans: the periodic LCP review process.

Under the periodic LCP review process, the Coastal Commission is mandated to review and evaluate the implementation of certified Local Coastal Plans at least once every five years. This periodic review is intended to allow the Commission to evaluate the effectiveness of the local coastal plan in terms of meeting Coastal Act policies on public access, the protection of environmentally sensitive resources, and the ability to manage growth and address the cumulative impacts of new development. The periodic review should incorporate new information on issues like polluted runoff that may not have been urgent or understood at the time of original certification.

Periodic Review Process is Not Working

Though mandated by the Coastal Act, the periodic LCP review process is not working. As of July 1997, periodic reviews for 76 LCP segments in 50 jurisdictions were overdue - some by as much as 11 years. As a result of the Commission's failure to review these LCPs, the integrity of the entire Statewide Coastal Protection Program is in serious jeopardy. Old certified local coastal plans, based on outdated information allows adverse cumulative impacts on public access and coastal resources to be ignored; endangered species to be unaccounted for, and pressing environmental problems to worsen (i.e., degradation of water quality from polluted runoff).

The California coast is a dynamic area. Population growth, development pressure, new information about sources of pollution, changed circumstances relative to sensitive habitat and animal species, all require that local coastal plans be regularly reviewed and updated. Unfortunately, the Coastal Act as written in 1976 and its implementation by the Coastal Commission, freezes into place local coastal plans that have, in many important ways, become ineffective at protecting the coast. There are two principal reasons why the periodic LCP reviews called for by the Coastal Act are not being done: 1) the lack of resources by the Commission to conduct the reviews; and 2) the absence of meaningful authority to ensure that necessary changes to previously certified LCPs identified through the review process are actually implemented.

Coastal Commission's Recommendations for Modifying Local Coastal Plans are Ignored

Under existing law, the Commission can only make recommendations to modify previously certified LCPs. If the local government chooses to ignore the Commission's recommendations, the only recourse for the Commission is to write a letter to the Legislature. Despite this lack of authority to require changes to dated LCPs, the Commission was sued by one of the two local governments for which a periodic review has been performed (Sand City). Although the Commission's ability to conduct such reviews was upheld by the court, the Commission's limited authority allows local governments to ignore its' recommendations.

Assembly Democrats' Solution:

Ensure Periodic Review and Implementation of Local Coastal Plans

- Mandate Periodic LCP Review Process as Intended by The Coastal Act. Direct the Coastal Commission to complete periodic review incorporating updated information that may not have been known or understood at the time of the original certification.

- Increase Funding for Periodic Review. The Coastal Commission's existing budget must provide the funding necessary to enable it to conduct periodic LCP reviews on a timely basis. There must be adequate incentive for local jurisdictions to undertake the lengthy review process. Further, in order to reduce the competition for funds between local jurisdictions in need of LCP review and those who remain uncertified, funding must be made available to assist local governments in completing their local coastal plans.

- Increase the Coastal Commission's Authority for Updating Plans. Existing law must be modified to require that local governments address recommendations adopted by the Coastal Commission as a result of a formal periodic review. Further, in the event that the a local government fails to implement the recommendations, the Coastal Commission must be given the authority, under certain circumstances, to amend the LCP, similar to the provision that now allows the Commission to amend a LCP for major public works and energy facility projects.

Problem: Unabated shoreline erosion harms coastal communities

The State Legislature realized the special needs of the local coastal governments and the people of California when they established the Beach Erosion Control Program with the intention of preserving and protecting coastal beaches and shoreline impacted by natural and man-induced shoreline instability. The Department of Boating and Waterways has authority to cooperate with any local, state or federal agency to study, prepare plans, and to construct projects for stabilization of beaches and shoreline areas. State policy is to contribute 50% of the local participation funds that may be required by federal acts for beach erosion control.

Beach and shoreline erosion can cause the loss of sandy beaches, the loss of beach access, and the loss of recreational opportunities, and threatens public and private property. Beach erosion is exacerbated by human activities such as, the removal of beach sand for building material, reduction of sand supplies by dams and flood control projects, the interruption of normal sediment transport, the placement of permanent structures in or on top of sand, and other modifications to normal sand accretion and erosion cycles. Most of these causes are secondary effects from other activities such as property protection, flood control, energy development, and harbor expansion.

Beach Nourishment Has Statewide Benefit

Approximately 925 miles (86%) of the coast is eroding, a problem that extends beyond the governmental boundaries of individual coastal communities. Because beach sand migrates through the littoral shoreline system without regard for municipal boundaries, beach nourishment is an undertaking that has greater than local benefit. Studies indicate that in Southern California only 50% of the historical supply of sand reaches the coast and in major rivers like the Los

Angeles and San Gabriel, the sand contribution is negligible. Construction of beach nourishment projects to provide shore protection is a common solution to alleviate the impact of severe coastal erosion.

Coastal engineers and scientists agree that erosion is inevitable, but a high rate of erosion and damage in highly urbanized areas is unacceptable. Erosion rates have been increasingly exacerbated by flawed upland policies of flood control, poor upland resource management, and unwise construction in the coastal zone. Shoreline instability is a natural outgrowth of cumulative impacts of flawed policies. Areas such as Santa Monica have demonstrated successfully for years that beach nourishment can function effectively on California's beaches.

A recent study by the San Francisco State University depicts the economic impact of the coastal recreation on our state economy. In 1995, California hosted a total of 566 million visitor days at our beaches. Beach recreation and tourism generated $10.6 billion in direct revenues and $16.6 billion in indirect revenues. These total revenues of $27.5 billion supported over 500,000 California jobs and generated $1.1 billion in state taxes. Beach areas also serve as critical habitat for a variety of species including the snowy plover and the least tern which are on the threatened and endangered lists.

Local Governments Bear the Burden
Of Protecting and Restoring Beaches

Local governments have become the *de facto* stewards of the coastline, but they cannot control acts outside their boundaries that cause erosion nor can they charge admission to public beaches to offset the costs. Beach management, enhancement and restoration are both a local and a state problem that require a joint solution. More than $138 million in locally sponsored beach enhancement and restoration projects have been identified.

Assembly Democrats' Solution:

Invest in Shoreline Erosion Prevention and Restoration

The California Public Beaches Enhancement Act, AB 1228 (Ducheny), recognizes the priceless economic, environmental and recreational benefits that California's beaches provide to the state, and the important role of the state government in the stewardship of this premier natural resource.

- Annual Restoration Fund. Creates an annual fund to help localities restore and maintain beaches, and protect the states valuable shoreline. This investment will lead significant economic returns for the California economy and create significant fiscal benefits for state government.

- Beach Enhancement Program. Establishes a California Public Beach Enhancement Program under the jurisdiction of the Department of Boating and Waterways.

- Technical Advisory Committee. Creates a technical advisory committee to make recommendations on standards and priorities for investment in beach nourishment projects. Members of the advisory committee would be selected from local governments, state and federal public agencies and representatives of the public.

- Public Beach Enhancement Fund. Requires 10% of specified federal funds received by the state from the federal offshore leasing payments are deposited in a newly created Public Beach Enhancement Fund. This would result in an annual fund of approximately $3 million.

Problem: Remaining coastal wetlands are threatened by development

Wetlands are transitional areas between water and land environments and can consist of a wide variety of habitat types. Coastal wetlands are a particularly important natural resource of the California coastal zone because they provide significant habitat for migratory birds of the Pacific flyway, endangered species, and many other resident wildlife and fish populations. Coastal wetlands provide additional public benefits including pollution control, flood conveyance and storage, groundwater discharge and recharge, barriers to waves and erosion, sediment control, fish and shellfish nurseries, and are important in global weather cycles and atmospheric processes.

Only Remnant of Coastal Wetlands Remain

California once contained between three and five million acres of wetlands. These wetlands are nearly gone, reduced by over 91% statewide. Prior to 1850, over 380,000 acres of tidal and brackish marshes lay along the 1,072 mile California coastline and the shoreline of San Francisco Bay. Today, the coast of Southern California from Santa Barbara to the Mexican border has but one-tenth of its original tidal wetlands; the balance has been filled or dredged for urban uses, ports, harbors, and for water, flood control and transportation systems which support metropolitan centers.

The predominantly rural character of the north and central coasts has spared most wetlands. However, agricultural reclamation, watershed erosion, sedimentation and harbor development have reduced tidelands and marshes by up to 60% in certain estuaries. The historical acreage of the San Francisco Bay

and estuary has been reduced from approximately 547,000 acres to 44,000 acres due to agricultural and urban development.

Along the Pacific coast, a string of river mouths and estuaries contain smaller wetlands; on the South Coast, marsh remnants remain. A few major wetlands (1,000 acres or more) can still be found in Elkhorn Slough, Tijuana Estuary and the San Diego Bay. The coastal wetlands that remain are either degraded, under threat of conversion, or need immediate protection to preserve their inherent values and functions.

Statewide Wetlands Policy and Commitment Needed

In 1978, the California Legislature passed Senate Concurrent Resolution 28 which states that "It is the intent of the Legislature to preserve, protect, restore and enhance California's wetlands and the multiple resources which depend on them for the benefit of the people of the state." SCR 28 called for a wetlands restoration plan that would increase California's wetlands acreage by 50% by the year 2000. This plan was completed in 1983.

In 1993, Governor Wilson released his California Wetlands Conservation Policy which has three primary objectives: 1) No net loss and a long-term gain in the quality and quantity of California's wetlands acreage; 2) Reducing state and federal wetlands regulation procedural complexity; and 3) Making restoration, landowner incentive programs, and cooperative planning efforts the primary focus of the state's wetlands conservation programs. As part of Governor Wilson's wetlands policy, he proposed to:

- Conduct a statewide wetlands inventory and identify regional and statewide restoration and enhancement goals;

- Have the state take over the U.S. Army Corps of Engineers Section 404 wetlands regulatory powers beginning with a pilot program in San Francisco Bay;

- Encourage wetlands mitigation banking ("allows proponents of unavoidable wetland fills to buy credits in pre-established mitigation sites or banks"); and

- Support regional implementation strategies for the Central Valley, San Francisco Bay and Southern California.

Last year, Governor Wilson proposed $5.1 million from the General Fund to provide seed money for the establishment of a Southern California Wetlands Clearinghouse, an agency-driven forum to prioritize, acquire and restore coastal wetlands specifically in Southern California. The proposal also included approximately $500,000 for the establishment of a San Francisco Bay Wetlands Pilot Mitigation Banking Program.

Budget analysts immediately raised concerns about the Governor's proposal because there was insufficient information provided regarding how these programs would function, including a lack of standards and criteria for mitigation banking. The Legislature's response was a budget trailer bill, AB 241 (Lempert), a negotiated agreement between the Resources Agency and the environmental community. The Governor vetoed AB 241, claiming the specifics of the legislation did not fully address the problem.

To the contrary, comprehensive statewide legislation is clearly warranted to conserve, protect, restore and enhance California's diminishing coastal wetlands.

Assembly Democrats' Solution:

Implement a Comprehensive Coastal Wetlands Protection Program

- Joint Venture. A Southern California joint venture should be created to ensure public input and participation in the Southern California Wetlands Clearinghouse. Similar regional efforts such as joint ventures for the Central and Northern California coasts should be established to complement the Southern California effort in providing statewide protection. Joint ventures already established in the Central Valley and Bay Area have quickly established a proven track record of success for protecting and restoring key wetlands and can serve as models.

- Funding Regional Efforts. Funding mechanisms and criteria should be established for regional planning, prioritization, acquisition, restoration and enhancement efforts, including the use of public/private partnerships. If such regional efforts, such as the Southern California Wetlands Clearinghouse, are established funding should be made available.

- Mitigation Bank Criteria. If mitigation banking is proposed as an element of future funding, criteria and standards for long-term management must be established in advance to prevent any net loss in the quality and quantity of coastal wetlands in the future.

Long-Term Investment in Coastal Environment and Economy

Problem: The state must finance $1.4 billion in coastal capital outlay

During the 1997 Legislative Interim, the Assembly Budget Subcommittee on Resources conducted a series of hearings on the capital needs of the coast. After over 12 hours of testimony from the Administration and interested parties, the subcommittee has developed a thorough understanding of the capital needs of the coast. (For a copy of the committee's briefing paper, contact Assembly Member Keeley's office at (916) 445-8496.)

Prior to the interim hearings, the chair requested that the Administration document the capital needs of the coast for the ten-year period beginning in 1997. According to the Administration's own estimates, the state should invest $1.4 billion in coastal infrastructure to maintain service at 1996 levels. Although this is a significant amount, this number underestimates the actual need because it does not account for the costs associated with repairs after natural disasters, such as floods, erosion, earthquakes or fires. The estimate also does not include funding for local assistance for coastal projects at the State Water Resources Control Board. If the board's projects were included the estimate could be doubled.

Assembly Democrats' Solution: Authorize a Bond for Coastal Capital

Assembly Democrats propose that The Clean Coastal Waters and Rivers Bond Act AB 1000 (Keeley) be placed before the voters in 1998. The bond measure would authorize the following:

- $330 million for appropriation to the Coastal Conservancy. This will fund acquisition restoration of watersheds, wetlands, rivers, and endangered species habitat.

- $113 million for appropriation to the Wildlife Conservation Board. This will fund wetlands and wildlands restoration, and coastal piers and shoreline access infrastructure.

- $89 million for projects to reduce polluted runoff. This will fund pollution prevention projects, including projects in San Fransico, Santa Monica, and San Diego bays. Will fund the projects required under the federally mandated SWRCB-Coastal Commission Non-Point Pollution Control Program.

- $75 million for appropriation to the River Protection and Enhancement Account. Will fund acquisition and restoration of riparian habitat and river parkways.

The Clean Coastal Waters and Rivers Bond Act, AB 1000 (Keeley), continued:

- $40 million to the Santa Monica Mountains Conservancy. For the Los Angeles River Projects. Will fund restoration and recreational development of the Los Angeles River and its' watersheds.

- $10 million to the Department of Water Resources. Will fund projects of the Urban Streams Restoration Program, including projects to increase recreational open space, public access, and aesthetic values along streams and rivers.

Budget Actions to Protect and Enhance the Coast and Ocean

Problem: The condition of the coast deteriorates because of reduced state funding.

In recent years, the state has reduced General Fund support for the Resources budget, and the coast has suffered as a consequence. Using 1988-89 as a benchmark, because funding levels pre-date the catastrophic effects of the state's recession, the LAO measured the state's General Fund spending on Resources programs. In that year, the state budget was nearly $42 billion. Of this amount, $732 million was spent out of the General Fund for Resources programs (representing 1.74 percent of the total state budget).

Since then, the state budget has grown to $62 billion. In 1996-97, the General Fund commitment to Resources represented 1.45 percent of total spending. As such, the state General Fund commitment to Resources programs fell. Indeed, if the state had maintained its 1988 level of General Fund support in 1996, it would have allocated nearly $180 million more to Resources.

Moreover, throughout the eight-year period beginning in 1989, the state consistently reduced the Resources' share of the budget. Over the eight year period, Resources programs lost nearly $1.2 billion in General Fund support. Chart 1 displays this budget reduction.

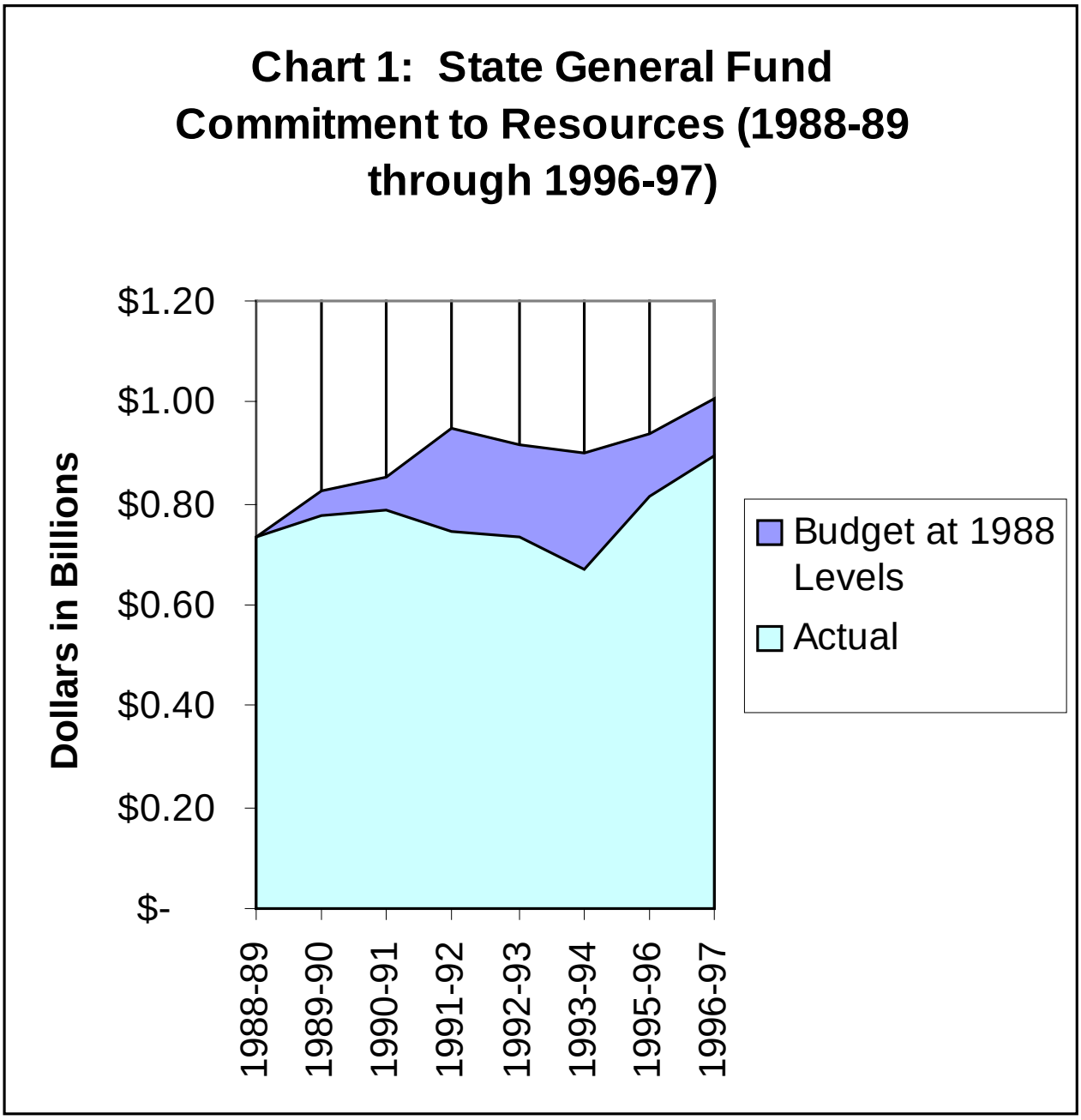
Chart 1: State General Fund Commitment to Resources (1988-89 through 1996-97)
Dollars in Billions
$1.20
$1.00
$0.80
$0.60
$0.40
$0.20
$-
1988-89
1989-90
1990-91
1991-92
1992-93
1993-94
1995-96
1996-97
Budget at 1988 Levels
Actual

With respect to the coast, the state has neglected critical aspects of its stewardship responsibilities. There are four areas in particular where action is needed to reverse that trend.

Upgrading Management, Enforcement and Research Of Wildlife and Habitat Protection

The Department of Fish and Game is responsible for the enforcement of laws associated with pollution abatement, hazardous material containment and disposal, habitat protection and preservation and the management of wildlife areas, including the coast. Over the years, the department's enforcement responsibilities have increased without a commensurate increase in staff. Based on historic levels, funding for enforcement personnel should increase by 45 percent.

Improving Water Quality

The Resources Agency has written that polluted run off is the "most significant source of [ocean] water pollution…" Although the state spends millions of dollars a year attempting to address this issue, its efforts remain woefully ineffective. To address the problem adequately, the state must: (a) Develop a comprehensive plan, (b) Monitor drain effluents, and (c) Provide sufficient funding to treat the most significant sources of this pollution.

Maintaining Coastal Infrastructure

Although the state has made a significant capital investment in Resources programs, oftentimes departments do not have a management strategy for maintaining that investment. To provide adequate stewardship of the state's investment, the state must develop sufficient management information about its operations and maintenance needs. It must also commit sufficient funding to meet the maintenance obligations.

Making Acquisitions

In recent years, the state has relied on General Fund appropriations for acquisition of significant properties. With the advent of the Natural Resources Infrastructure Fund (NRIF), $60 million additional dollars, which would otherwise be deposited in the General Fund, should be available to finance one-time acquisitions. We note, however, that the legislation authorizing NRIF allows the Legislature to redeposit into the General Fund the money deposited in NRIF. If the Legislature were to redeposit the NRIF in the General Fund, there would be little if any discretionary funds available for making high-priority acquisitions.

Assembly Democrats' Solution:

Increase Investment for Important Coastal Issues

Assembly Democrats propose the following budget agenda for the coast:

- Improve Protection of Wildlife and Habitat. The state should enforce state wildlife and habitat protection laws, by increasing the number of Fish and Game wardens to 460. This amount would maintain wardens at their historic per-capita levels.

- Improve Ocean Water Quality. The state should commit an additional $5 million to non-point source pollution monitoring and abatement activities. It must coordinate its activities across state agencies and with local governments to achieve efficient and effective abatement. The additional funding is probably most that can be spent effectively in 1998-99, given the current state programs for managing non-point source pollution.

- Address Backlog of Maintenance Problems. Develop a long-term facilities maintenance strategy and dedicate a funding source. We propose to develop a detailed plan for departments with significant coastal infrastructure.

- Finance Acquisition of High-Priority Properties. The state should dedicate $30 million in General Fund support for the acquisition of high priority coastal lands, rather than return NRIF funding to the General Fund.